GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:2654
ANSWERED ON:15.12.2015
Misuse of CSR Fund
Gandhi Shri Feroze Varun

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether the Government has taken note of the Standing Committee report on misuse of CSR funds in PSUs of Department of Public Enterprises;
(b) if so, the steps taken by the Government to ensure that CSR funds are utilized properly as per the standard guidelines; and
(c) if not, the details of projects where CSR funds have been utilised during the last three years with the availability of CSR funds with the PSUs?

Answer

THE MINISTER OF STATE FOR HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
(SHRI G.M. SIDDESHWARA)

(a) to (c): Department of Public Enterprises (DPE) is the nodal Department for Central Public Sector Enterprises (CPSEs) but does not have any CPSE under its direct administrative control. CPSEs are administered by various Ministries/ Departments of Govt. of India.

As far as DPE is concerned, it has not received any report of the Standing Committee on misuse of CSR funds in CPSEs for its consideration.

As per provisions on CSR under Section-135 of Companies Act, 2013, all corporates, including CPSEs exceeding the prescribed threshold limits of net worth of Rs. 500 crore or more, or turnover of Rs. 1000 crore or more, or a net profit of Rs 5 crore or more are required to constitute a Corporate Social Responsibility Committee of the Board to formulate and recommend to the Board a CSR Policy which shall indicate the activities to be undertaken by CPSEs as specified in Schedule-VII of the Act, which lists the activities that can be undertaken under CSR. CSR Committee shall recommend the amount of expenditure to be incurred on the activities selected for the purpose and also monitor the CSR policy of the company from time to time.

CPSEs are required now to furnish in their audited Annual Report containing details of
activities / projects undertaken under CSR and funds allocated / utilized in the Proforma prescribed in Companies (CSR Policy) Rules, 2014 notified by M/o Corporate Affairs. Funds utilized on activities/ projects under CSR by CPSEs during last three years and the current year is not centrally maintained in DPE.
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